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To: Finance

SENATE BILL NO. 2014
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 37-59-37, MISSISSIPPI CODE OF 1972,
2 TO EXTEND THE PERIOD OF TIME WITHIN WHICH MONEY BORROWED BY A
3 SCHOOL DISTRICT IN ANTICIPATION OF REVENUE MUST BE REPAID, IF THE
4 REASONS FOR THE EXTENSION IS RELATED TO HURRICANE KATRINA; AND FOR
5 RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 37-59-37, Mississippi Code of 1972, is
8 amended as follows:

9 [Through January 31, 2007, this section shall read as
10 follows:]

11 37-59-37. (1) The school board of any school district shall
12 have the power and authority to borrow money for the anticipated
13 current year's expenses of such school district in anticipation of
14 the collection of ad valorem taxes and other revenues of such
15 school district for the then current fiscal year. Except as
16 otherwise provided in subsection (2) of this section, the money so
17 borrowed shall bear interest at a rate not greater than that
18 allowed in Section 75-17-105 and shall be repaid within fourteen
19 (14) months from the date of such borrowing out of the taxes and
20 revenues in anticipation of which such money is borrowed. Such
21 money shall be used for no other purpose than the payment of the
22 current year's expenses of such school district. Pending the
23 expenditure of funds borrowed under the provisions of this
24 section, such funds may be invested in any manner in which any
25 school district, municipality, county, state agency or other
26 public body may invest surplus funds.

27 (2) Upon written request of a local school board, the State
28 Board of Education may certify that a public school district is in

29 an extreme emergency financial situation which jeopardizes the
30 safety, security or educational interests of the students enrolled
31 in the schools in that district, and such emergency financial
32 situation is due to extraordinary damage caused by Hurricane
33 Katrina. Upon declaration of an extreme emergency financial
34 situation in a school district by the State Board of Education,
35 the local school board may increase the time within which the
36 money borrowed under this section shall be repaid to twenty-four
37 (24) months after the date of such borrowing.

38 (3) The amount borrowed under the provisions of this section
39 shall in no event exceed the estimated amount of taxes and
40 revenues collected or to be collected during the last preceding
41 fiscal year, unless the tax levy for the current fiscal year has
42 been made, then the amount borrowed under the provisions of this
43 section shall in no event exceed the estimated amount of taxes and
44 revenues collected or to be collected during the current fiscal
45 year. Revenue anticipation notes issued under the provisions of
46 this section shall be issued within the same fiscal year during
47 which the tax levy is or will be made and other revenues received
48 which it is anticipated will produce the funds from which the said
49 notes will be repaid.

50 (4) In borrowing money under the provisions of this section,
51 it shall not be necessary to publish notice of intention so to do
52 or to secure the consent of the qualified electors of such school
53 district, either by election or otherwise. Such borrowing shall
54 be authorized by order or resolution of the school board and may
55 be evidenced by negotiable note or notes, signed and executed in
56 such form as may be prescribed in such order or resolution. Such
57 note or notes may be sold at a negotiated sale. Money may be
58 borrowed in anticipation of ad valorem taxes and other revenues
59 under the provisions of this section, regardless of whether or not
60 such borrowing shall create an indebtedness in excess of statutory
61 limitations.

62 (5) Money may likewise be borrowed by any such school
63 district, as herein provided, for the purpose of paying current
64 interest maturities on any bonded indebtedness of such school
65 district in anticipation of the collection of taxes for the
66 retirement of such bonded indebtedness and the payment of any
67 interest thereon.

68 **[From and after January 31, 2007, this section shall read as**
69 **follows:]**

70 37-59-37. The school board of any school district shall have
71 the power and authority to borrow money for the anticipated
72 current year's expenses of such school district in anticipation of
73 the collection of ad valorem taxes and other revenues of such
74 school district for the then current fiscal year. The money so
75 borrowed shall bear interest at a rate not greater than that
76 allowed in Section 75-17-105 and shall be repaid within fourteen
77 (14) months from the date of such borrowing out of the taxes and
78 revenues in anticipation of which such money is borrowed. Such
79 money shall be used for no other purpose than the payment of the
80 current year's expenses of such school district. Pending the
81 expenditure of funds borrowed under the provisions of this
82 section, such funds may be invested in any manner in which any
83 school district, municipality, county, state agency or other
84 public body may invest surplus funds.

85 The amount borrowed under the provisions of this section
86 shall in no event exceed the estimated amount of taxes and
87 revenues collected or to be collected during the last preceding
88 fiscal year, unless the tax levy for the current fiscal year has
89 been made, then the amount borrowed under the provisions of this
90 section shall in no event exceed the estimated amount of taxes and
91 revenues collected or to be collected during the current fiscal
92 year. Revenue anticipation notes issued under the provisions of
93 this section shall be issued within the same fiscal year during
94 which the tax levy is or will be made and other revenues received

95 which it is anticipated will produce the funds from which the said
96 notes will be repaid.

97 In borrowing money under the provisions of this section, it
98 shall not be necessary to publish notice of intention so to do or
99 to secure the consent of the qualified electors of such school
100 district, either by election or otherwise. Such borrowing shall
101 be authorized by order or resolution of the school board and may
102 be evidenced by negotiable note or notes, signed and executed in
103 such form as may be prescribed in such order or resolution. Such
104 note or notes may be sold at a negotiated sale. Money may be
105 borrowed in anticipation of ad valorem taxes and other revenues
106 under the provisions of this section, regardless of whether or not
107 such borrowing shall create an indebtedness in excess of statutory
108 limitations.

109 Money may likewise be borrowed by any such school district,
110 as herein provided, for the purpose of paying current interest
111 maturities on any bonded indebtedness of such school district in
112 anticipation of the collection of taxes for the retirement of such
113 bonded indebtedness and the payment of any interest thereon.

114 **SECTION 2.** This act shall take effect and be in force from
115 and after its passage.